

.nz Dispute Resolution Service

DRS Reference: 941

Hytools NZ Limited v Neville Stuart

Key words -

Identical or similar trade mark or name

Trade name – geographical identifier – identical – generic – descriptive – mark with generic word

Unfair registration

Unfair registration – unfair use – likely to confuse, mislead or deceive

1. Parties

Complainant:

Hytools NZ Limited

279 Mt Smart Rd

Onehunga

Auckland

New Zealand

Represented by: Mr Patrick Howard

Respondent:

Neville Stuart

Tauranga

New Zealand

2. Domain Name/s

hytools.co.nz ("the Domain Name")

3. Procedural history

- 3.1. The Complaint was lodged on 13/01/14 and Domain Name Commission (DNC), notified the Respondent of the validated Complaint on 16/01/14. The domain/s were locked on 14/01/14, preventing any changes to the record until the conclusion of these proceedings.
- 3.2. The Respondent filed a Response to the Complaint on 13/02/14 and the DNC so informed the Complainant on 13/02/14. The Complainant filed a Reply to the Response on 28/02/14. The DNC informed the parties on 24/03/14 that informal mediation had failed to achieve a resolution to the dispute.

- 3.3. The Complainant paid Domain Name Commission Limited the appropriate fee on 02/04/14 for a decision of an Expert, pursuant to Paragraph 9 of the .nz Dispute Resolution Service Policy (“the Policy”).
- 3.4. The Hon Robert Fisher QC, the undersigned, (“the Expert”) confirmed to the DNC on 02/04/14 that he knew of no reason why he could not properly accept the invitation to act as expert in this case and that he knew of no matters which ought to be drawn to the attention of the parties, which might appear to call into question his independence and/or impartiality.

4. Factual background

- 4.1. The Complainant is a New Zealand company incorporated in 1998 under the name “Max Performance Limited”. It established a business in hydraulic equipment. Since being in business the Complainant has used email addresses containing the name “Hytools”. In 2009 the Complainant changed its name to “Hytorg NZ Limited”.
- 4.2. On 13 October 2011 the Complainant registered the domain hytoolsnz.co.nz. The website contains photos of business premises, a vehicle and products displaying the logo of Hytools NZ.
- 4.3. The Respondent is an individual trading as “Enerpac New Zealand”. “Enerpac” is a global hydraulic equipment brand whose products are in competition with the Complainant’s in New Zealand. On 17 July 2012 the Respondent registered the disputed Domain Name hytools.co.nz. Visitors to hytools.co.nz are automatically redirected to the Respondent’s website www.enerpac.webs.com, where the Respondent promotes Enerpac products and suppliers.
- 4.4. The Complainant does not have any registered trade marks for “hytools”. On 12 November 2012 the Complainant changed its name to Hytools NZ Limited.

5. Complainant’s contentions

- 5.1. The Complainant contends that the Respondent in his use of the disputed Domain Name is misleading potential and existing clients of the Complainant, and further is passing off his service as that of the Complainant.

6. Respondent’s contentions

- 6.1. The Respondent contends that “Hytools” is “a generic name used for all hydraulic tools and was and is a fair registration name”. He says that the Complainant has only ever used “Hytools NZ” and draws support from the fact that the Complainant never registered the disputed Domain Name. He also denied the passing off allegation.

- 6.2. In his Response the Respondent also claims that the Complainant is misusing another domain: www.hytorcnz.co.nz. This is not relevant and it will be disregarded.

7. Discussion and findings

- 7.1. The dispute is governed by the Policy issued by Domain Name Commission Ltd on behalf of InternetNZ. Critical portions of the Policy for present purposes are:

3. Definitions ...

Rights includes, but is not limited to, rights enforceable under New Zealand law. However, a Complainant will be unable to rely on rights in a name or term which is wholly descriptive of the Complainant's business.

Unfair Registration means a Domain Name which either:

- (i) was registered or otherwise acquired in a manner which, at the time when the registration or acquisition took place, took unfair advantage of or was unfairly detrimental to the Complainant's Rights; OR
- (ii) has been, or is likely to be, used in a manner which took unfair advantage of or was unfairly detrimental to the Complainant's Rights;

...

4. Dispute Resolution Service

- 4.1 This Policy and Procedure applies to Respondents when a Complainant asserts to the DNC according to the Procedure that:

4.1.1 The Complainant has Rights in respect of a name or mark which is identical or similar to the Domain Name; and

4.1.2 The Domain Name, in the hands of the Respondent, is an Unfair Registration.

...

5. Evidence of Unfair Registration

- 5.1. A non-exhaustive list of factors which may be evidence that the Domain Name is an Unfair Registration is set out in paragraphs 5.1.1 - 5.1.5:

5.1.1. Circumstances indicating that the Respondent has registered or otherwise acquired the Domain Name primarily:

- (a) for the purposes of selling, renting or otherwise transferring the Domain Name to the Complainant or to

a competitor of the Complainant, for valuable consideration in excess of the Respondent's documented out-of-pocket costs directly associated with acquiring or using the Domain Name;

- (b) as a blocking registration against a name or mark in which the Complainant has Rights; or
- (c) for the purpose of unfairly disrupting the business of the Complainant; or

5.1.2. Circumstances demonstrating that the Respondent is using the Domain Name in a way which is likely to confuse, mislead or deceive people or businesses into believing that the Domain Name is registered to, operated or authorised by, or otherwise connected with the Complainant;

...

5.2 Failure on the Respondent's part to use the Domain Name for the purposes of email or a website is not in itself evidence that the Domain Name is an Unfair Registration.

...

6. How the Respondent may demonstrate in its Response that the Domain is not an Unfair Registration

6.1. A non-exhaustive list of factors which may be evidence that the Domain Name is not an Unfair Registration is set out in paragraphs 6.1.1 – 6.1.4:

...

6.1.2 The Domain Name is generic or descriptive and the Respondent is making fair use of it in a way which is consistent with its generic or descriptive character;

...

7.2. It will be seen that to support a complaint of this kind the Complainant must satisfy three elements:

- (a) Rights in respect of a name or mark (para 4.1.1);
- (b) Identity or similarity between that name or mark and the Domain Name (para 4.1.1); and
- (c) Unfair registration in the hands of the Respondent (para 4.1.2).

7.3. The form of unfair registration alleged here is confusing or misleading use of the Domain Name (para 5.1.2).

(a) Rights in respect of a name or mark

- 7.4. A complainant will have rights in a name enforceable by an action for passing off if he establishes a “reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with [the name] under which his particular goods or services are offered to the public, such that [the name] is recognised by the public as distinctive specifically of the plaintiff’s goods or services” (*Reckitt & Colman Products Ltd v Borden Inc* [1990] 1 WLR 491 (HL) at 499). The name in such circumstances may otherwise be described as a common law trade mark.
- 7.5. For the Complainant to succeed, its rights in the name “Hytools” need to be in existence by the time the Respondent registered the disputed Domain Name — that is, by 17 July 2012. Unfortunately the Complainant has not assisted with any submissions or direct evidence on this critical point. There is no direct evidence as to the extent of the Complainant’s business or of its reputation. The Complainant changed its name to include the term “Hytools” only on 12 November 2012.
- 7.6. Fortunately there are two items of evidence indirectly suggesting that the Complainant did have rights in respect of the name by 17 July 2012.
- 7.7. The first is that the Complainant has (under earlier names) used at least four email addresses containing the term “Hytools” since being in business. Three of these end with the Complainant’s domain name “@hytoolsnz.co.nz”. These could only have been used after the Complainant registered its domain name hytoolsnz.co.nz in October 2011. The fourth email is hytoolsnz.matt@xtra.co.nz, which could have been in use before October 2011. Overall, it is probable that these emails were used extensively in communications with the public before 17 July 2012. Such communications would have developed the requisite association between “Hytools” and the Complainant’s business in the minds of the public and thereby created rights in the name.
- 7.8. The second item of evidence is the Complainant’s website which shows the Complainant strongly promoting the name “Hytools NZ”. The domain of the website, hytoolsnz.co.nz, was registered in October 2011. The Complainant’s logo can be seen not just in the banner of the website, but also on individual products and photos of the business premises and vehicle. Although there is no direct evidence on the appearance of the website before 17 July 2012, it seems reasonable to infer from the date of registration and the use of hytoolsnz.co.nz email addresses that the website was promoting the business and creating the relevant association for some time before 17 July 2012.
- 7.9. Although these items are individually insufficient, taken together they suggest it is more likely than not that the Complainant did have rights in respect of the name by 17 July 2012.

7.10. The Respondent submits that “Hytools” is commonly used to mean hydraulic tooling. He therefore appears to rely on the proviso in the definition of “Rights” in the Policy that “a Complainant will be unable to rely on rights in a name or term which is wholly descriptive of the Complainant’s business” (para 3).

7.11. There is no evidence to support that suggestion. If anything the websites to which I was referred by the Respondent show that “Hytools” is not commonly (if at all) used to mean hydraulic tools or tooling.

7.12. I therefore accept that the Complainant has satisfied the first element.

(b) Identity or similarity between that name or mark and the Domain Name

7.13. In the present case the disputed Domain Name uses the term “Hytools”. The Respondent sought to distinguish “Hytools” from “Hytools NZ”. The broad geographical identifier “NZ” is not a significant distinguishing feature, especially given that the disputed Domain Name ends with “.co.nz”. I find this element satisfied also.

(c) Unfair Registration in the hands of the Respondent

7.14. The third requirement is unfair registration. As noted before, the form of unfair registration alleged here is confusing or misleading use of the Domain Name (para 5.1.2).

7.15. A visitor to the disputed Domain Name is redirected immediately to the Respondent’s website where the Respondent promotes Enerpac products. Enerpac products are in competition with the Complainant’s products. The question is whether this use “is likely to confuse, mislead or deceive people or businesses into believing that the Domain Name is registered to, operated or authorised by, or otherwise connected with the Complainant”.

7.16. I have already concluded that the term “Hytools” is not merely descriptive. A visitor to the disputed Domain Name would probably have been looking specifically for the website of Hytools NZ Limited. I therefore find that the use of the Domain Name in this manner took unfair advantage of the Complainant’s rights. There is no question of fair use of a non-generic or non-descriptive name.

7.17. Although not essential to my ultimate conclusion, I add that if the Domain Name is not transferred it is likely that it would continue to be used in a manner which takes unfair advantage of, and be unfairly detrimental to, the Complainant’s Rights.

8. Decision

8.1. All three elements identified in paragraph 7.2 above having been satisfied I determine that the disputed Domain Name should be transferred to the Complainant.

Place of decision Auckland

Date 7 April 2014

Expert Name Hon Robert Fisher QC

Signature